National Bio-Fuel-Policy

2667. SHRIMATI PREMA CARIAPPA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that our fossil fuel resources are fast depleting and will last for another 30-35 years;

(b) if so, the details thereof; and

(c) whether Government propose to frame National Bio-Fuel-Policy to meet the future demand in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Total prognosticated hydrocarbon resources of the country have been estimated at about 28 Billion Metric Tonnes. Out of this, initial in place oil and gas resources of 8.7 Billion Metric Tonnes have been established. At the rate of production in 2005-06, the existing discovered reserves of oil and gas in the country as on 1-4-2006 may be sufficient for about 23 years and 34 years respectively.

(c) The National Policy on Bio-Fuel is under preparation by the Ministry of Non Conventional Energy Sources.

Tax Concession to private sector

2668. SHRI MOINUL HASSAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what are the concessions/gains including tax concessions earning by the private sector in petroleum sector; and

(b) what are the burdens/advantage the public sector in petroleum sector is discharging/getting in comparison to private sector?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The provisions of the taxation laws are uniformly applicable to both public and private sector oil companies. All newly set up refineries are entitled for the following concessions.

- A refinery is entitled to Tax Holiday on the profits earned by it for 7 consecutive assessment years from the year of commercial production under section 80IB (9) of Income Tax Act.
- Customs duty at concessional rate of 5%, as against 12.5% merit rate, is available on capital goods imported for setting up of refinery.